

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

TIMBER SALE PROSPECTUS
“NC-1508-D PINWELL BIRCH FUELWOOD #1”

LOCATION, ACCESS AND ESTIMATED VOLUME:

NC-1508-D, “PINWELL BIRCH FUELWOOD #1”, a 13 acre sale, is located 22 miles to the north of Delta Junction, about 17 miles from the Shaw Creek Bridge. It is not within any organized municipality. The sale is accessed by the Pogo Road 15 miles beyond the Pogo Gate. The sale is designated on the ground as:

Unit 1: SE1/4 NW1/4 and NE1/4 SW1/4 Section 32 Township 6 South Range 10 East Fairbanks Meridian

The Division estimates 170 Cords of Birch and 15 Cords of Spruce Fuelwood 4.0”+ DBH is designated for harvest within the sale unit.

SALE HISTORY: This sale is comprised of fire killed white spruce and aspen that is within the bounds of the 2010 Gilles Creek Burn Area. Additional harvest areas may be included in this sale due to the discovery of additional fuelwood volumes within the 2010 Gilles Creek Burn.

METHOD OF VOLUME ESTIMATION: The sale was estimated by Division of Forestry personnel. Birch and spruce fuelwood volumes were calculated using local Delta area sawlog stand estimation formulas and guidelines. . The sale includes all Birch fuelwood 4.0” DBH and greater. The Birch fuelwood volume was estimated at 13.1 Cords/Ac. The sale includes all spruce fuelwood 4.0” DBH and greater. The spruce fuelwood volume was estimated at 1.2 Cords/Ac. Fuelwood is considered to be any tree that is 4.0” at DBH or greater. The State neither expressly nor implicitly warrants any estimate of quantity or quality, or marketability of the timber sold. Prospective bidders should make their own estimates of timber volume and quality. The State neither expressly nor implicitly warrants its improvements estimates. Estimates are used only to establish minimum bid. Each PURCHASER is required to estimate his own costs and bid accordingly.

TOPOGRAPHY AND STAND CONDITIONS:

NC-1508-D is located on gentle ground ranging in elevation from 1,000 feet to 1,050 feet, and is all season accessible. Slopes vary from 0% to 10% with the average being about 5%. Harvest area has an easterly aspect. The sale area is predominately Birch with a mixture of spruce. The sale area is comprised of live standing and burnt timber, standing and blown down, located within the boundaries of the 2010 Gilles Creek fire. Stand age varies from 50 to 120 years.

CONTRACT REQUIREMENTS AND STIPULATIONS: The contract shall be a Division of Forestry Long Form timber sale contract with necessary special provisions added to cover conditions pertinent to the sale. The following list briefly reviews special conditions of the contract.

ACCESS AND ROAD CONSTRUCTION:

(1) Pogo Road Access: The PURCHASER shall receive approval from the Forester-in-Charge that Pogo Mine has been notified and will let the PURCHASER’S equipment and employees through the gate prior to commencing operations. The general public use of the Pogo Road is prohibited without an authorization from the Department of Natural Resources (DNR). The PURCHASER and his employees and subcontractors shall be authorized to use the Pogo Road for purposes directly relating to this timber sale. A list of the PURCHASER’S employees and subcontractors shall be provided to the guard at the Pogo Road gate. Personal use of the Pogo Road without authorization from DNR shall result in termination of the sale and forfeiture of bonds and stumpage payments as determined by the State. Personal use includes; hunting, trapping, fishing, mushroom picking, berry picking, hiking, camping and any other activity or use not directly related to this timber sale. Pogo Mine may temporarily close the road for safety reasons, road maintenance or improvements, and to prevent damage to the Pogo Road during breakup, very wet road or dangerous conditions.

(2) Use, Repair and Safety of the Pogo Road: The PURCHASER shall protect the Pogo Road from any damages as a result of the timber sale operations. If damages do occur as a result of the PURCHASER’S operations, the PURCHASER shall repair them promptly to the original condition before the damage occurred. Warning signs, or flaggers, or flares shall be used to mark damaged road surface resulting from the PURCHASER’S operations. When equipment is operating or turning on or off the Pogo Road in areas with less than 0.20 miles of visibility the PURCHASER shall warn oncoming traffic with warning signs, or flaggers, or flares. Road damages that are not immediately repaired to the original condition of the road shall be immediately reported to the guard at the Pogo gate and reported within 24 hours to the Forester-in-Charge. Damaged sections of road exceeding 200 feet in length, shall be repaired by Pogo Mine. The PURCHASER shall reimburse Pogo Mine for expenses to repair damage to the Pogo Road resulting from the PURCHASER’S operations.

(3) New Road Construction: Before constructing any primary, secondary or spur road that has not been marked for construction by the State, the PURCHASER shall obtain written approval of the location and construction standards of such roads from the Forester-in-Charge. The PURCHASER shall notify the Forester-in-Charge before starting equipment operations to construct access.

(a) Access to sale unit is at proposed access location(s) at 13.5 mile (Pinwell Rd) on the Pogo Road. Thence approx. 1.5 miles along the Pinwell Rd to the sale area. Timber sale boundary is delineated by PINK “Timber Sale Boundary” flagging.

Erosion Control: The contract requires the Purchaser to ensure that erosion does not occur along the access roads or deposition onto the Pogo Road during the life of the contract. The Purchaser will install gravel, water bars, grass seed and fertilize, and install fabric mats as necessary to ensure that erosion does not occur.

Access Roads in Sale Unit: Normal harvest operations, including roads constructed in the sale units, and road maintenance costs, shall be incurred by the PURCHASER.

Road Closure: The PURCHASER shall be required to do road maintenance and/or sale closure work at the end of the sale in addition to normal erosion prevention efforts, as directed by the Forester-in-Charge.

SCARIFICATION: None Required

PRIMARY MANUFACTURE: Primary manufacture of the timber in Alaska is NOT required.

TIMBER SALE PERFORMANCE BOND: The PURCHASER, upon the execution of this contract and as a part hereof, will file with the State a timber sale performance bond which will be 10% of the bid price rounded up to the nearest \$100.00 or \$2,500.00 which ever is greater. Sawmill sites, contract deferrals, or other special improvements shall require additional bonding if approved by the Forester-in-Charge. The bond shall be of a type and form acceptable to the State, and shall set forth a surety acceptable to the State. The bond shall be cash or certificate of deposit, with completed bond forms provided by the State

CONTRACT EXPIRATION: The contract period expires two (2) years from the date of contract execution.

AUTHORITY: The cutting and removal of timber shall be carried out under the authority of the Alaska Statutes, Title 38, Public Lands, Chapter 05, Alaska Land Act, Article 4, entitled "Disposal of Timber and Materials," and Title 11, Alaska Administrative Code, Chapter 71, Articles 1-5 inclusive, referred to as the "Timber and Material Sales" Regulations.

SALE PROCEDURES-BID DEPOSIT REQUIREMENTS: This State timber sale auction will start at 2:00 p.m. on October 14, 2013, at the Delta Area Forestry Office at Mile 267 ½ Richardson Highway, Delta Junction, Alaska 99737. Timber sale NC-1508-D, "Pinwell Birch Fuelwood", will be auctioned as a sealed bid sale. To qualify for bidding, all bidders must, prior to the auction, submit a current Alaska Business License and the minimum sale deposit specified below, in the form of cash, certified check, cashiers check, money order, or any combination thereof, payable to the State of Alaska, Department of Natural Resources. **Personal checks will not be accepted for the sale deposit. Bids must be submitted in a sealed envelope containing a completed and signed bid form (10-2102 available at the Delta area office) and a 10% bid deposit of the sale value or \$1,500.00, which ever is greater, for each sale bid upon. The envelope must be marked with the sale number (NC number) and the bidder's name.** Any individual or firm bidding on State timber must be licensed to do business in the State of Alaska. The business license must be kept current during the life of the contract. Award of a timber sale may be withheld if the apparent high bidder fails to submit a copy of a current business license. If bidding as an agent for an individual, partnership, or corporation, prior to the start of bidding, the agent must present a notarized power-of-attorney authorizing such agency to the auctioneer. No agent may represent more than one principal, or bid in competition with the agent's principal. **Proof of Commercial Auto Liability (per AS 19.10.300) and Workers' Compensation Insurance (per AS 23.30.045) is required prior to operations commencing on the Timber Sale contract.**

To qualify for bidding all bidders must, prior to the auction, submit a copy of their current Alaska Business License and the minimum bid deposit specified below, in the form of cash, certified check, cashiers check, money order, or any combination thereof, payable to the State of Alaska, Department of Natural Resources. **Personal checks will not be accepted for the minimum bid deposit.**

If bidding as an agent for an individual, a partnership, corporation, or other legally established firm, the agent must present a power-of-attorney or other notarized authorization creating such agency to the selling agent. No agent may represent more than one principal, or bid in competition with the agent's principal.

The State reserves the right to reject any or all bids. Unless all bids are rejected, the State will award the sale to the responsible qualified bidder offering the highest total bid for the sale, which is the only bid item.

If no bid is received at the auction, the sale may, at the discretion of the director or designated agent thereof, be made available over the counter.

- (a) **BID GUARANTEE DEPOSIT - \$1,500.00:** An initial bid deposit of \$1,500.00 shall be made at the time of the timber sale auction. This bid deposit may be applied against the timber sale performance bond. The PURCHASER shall pay the full bond amount within 30 days of the auction to execute the contract. Deposits from unsuccessful bidders will be returned at the time the sale is awarded. The deposits furnished by the high bidder whose bid was declared acceptable will be retained as liquidated damages if the high bidder does not execute the contract and furnish satisfactory bonds within thirty (30) days of receipt of the contract for execution. The bid deposit shall be in the form of cash, certified check, money order, cashier's check or any combination of these in favor of the State of Alaska, Department of Natural Resources. All of the successful bidder's deposits will be credited to the total amount due to the State for stumpage or bonds. **Personal checks will not be accepted for the minimum bid guarantee deposit.**
- (b) **BID REJECTION:** A bid containing or submitted with a condition or qualification on or a material alteration of the terms as specified in

the notice of sale, or which is otherwise not in accordance with the law, will be rejected.

MINIMUM ACCEPTABLE BID AMOUNT FOR NC-1508-D IS: \$4,550.00.

METHOD OF PAYMENT: NC-1508–D is a LUMP SUM sale. The PURCHASER or his representative shall pay the stumpage value in full or may request that the stumpage value be split into two equal installments (based on acreage) and shall pay the 1st installment before any timber is cut and/or removed from the sale area. All payments made are non-refundable regardless of the actual volume of timber cut or removed from the sale area. The total stumpage amount shall be paid regardless of the amount harvested.

- (a) Scaling provisions: For scaling, U.S. Forest Service Region 10 scaling rules, with appropriate supplements shall apply. Volume determination shall be by the Scribner decimal "C" Log Rule for sawlogs and the Huber Cubic Rule for fuelwood. Stumpage payments are non-refundable.

TIMBER SALE REVIEW: Anyone interested in visiting the proposed sale will need to contact the Delta Forestry Office and set up an appointment to visit the sale with a State Forestry employee. Individuals with disabilities who may need help with visiting the sale or bidding should contact the Delta Area Forester at 895-4225 no later than October 11, 2013 to make any necessary arrangements.

RESERVATIONS: The State reserves the right to waive technical defects in this prospectus and reject any and all high bids. The State reserves the right to award the timber for the amount of the next high bid to the next high bidder if the director considers the highest bidder unqualified to fulfill the requirements of the contract or if the contract is not executed by the highest bidder. The State also reserves the right to waive any informality in the bids received whenever the waiver is in the best interest of the State.

GENERAL: Further information, including copies of this prospectus, bid forms, sample contracts, copies of sale appraisal, etc. may be obtained from the Delta Area Office, Division of Forestry, Mile 267 ½ Richardson Highway, Delta Junction, Alaska 99737, or by contacting Mike Reggear by phone at 907-895-4225 or 895-2108, or by email at mike.reggear@alaska.gov.

